

**City of Miami Beach - Special City Commission Meeting  
Commission Chambers, 3rd Floor, City Hall  
1700 Convention Center Drive  
September 21, 2005**

Mayor David Dermer  
Vice-Mayor Matti Herrera Bower  
Commissioner Simon Cruz  
Commissioner Luis R. Garcia, Jr.  
Commissioner Saul Gross  
Commissioner Jose Smith  
Commissioner Richard L. Steinberg

City Manager Jorge M. Gonzalez  
City Attorney Murray H. Dubbin  
City Clerk Robert E. Parcher

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**ATTENTION ALL LOBBYISTS**

**Chapter 2, Article VII, Division 3 of the City Code of Miami Beach entitled "Lobbyists" requires the registration of all lobbyists with the City Clerk prior to engaging in any lobbying activity with the City Commission, any City Board or Committee, or any personnel as defined in the subject Code sections. Copies of the City Code sections on lobbyists laws are available in the City Clerk's Office. Questions regarding the provisions of the Ordinance should be directed to the Office of the City Attorney.**

C7A Call for a General Election to be Held on November 1, 2005.  
C7B Authorization to Videotape & Air on Cable Channel 77 - Commission Candidate Presentations.  
C7C Adopt/Appropriate Funds, Police Special Revenue Account Budget for FY 2005/06.  
C7D Adopt/Appropriate Funds, Police Confiscation Trust Fund Budget for FY 2005/06.  
C7E Adopt/Appropriate Funds, Police Training Trust Fund Budget for FY 2005/06.

**REGULAR AGENDA**

R5A Ordinance Amending the Schedule of Water Rates and Tapping Charges.

R7A1 **5:01 p.m.** Adopt Final Ad Valorem Millage for General Operating Purposes for FY 2005/06.  
R7A2 **5:01 p.m.** Adopt Final Operating Budgets - Gen. Fund/G.O. Debt/RDA/Enterprise/Internal Funds.  
R7B1 **5:02 p.m.** Adopt Final Ad Valorem Millage Rate for FY 2005/06 for Normandy Shores.  
R7B2 **5:02 p.m.** Adopt Final Operating Budget for FY 2005/06 for Normandy Shores.  
R7C Establish a City of Miami Beach Homeowners Dividend Fund for FY 2005/06.  
R7D Adopt the Annual FY 2005/06 Appropriations for the Capital Renewal & Replacement Fund.  
R7E **Joint**, Appropriate FY 05/06 RDA Capital Budget & Capital Improvement Plan for FY 2006-2010.  
R7F Adopt FY 05/06 Budgets for Special Revenue Funds - Resort Tax/7<sup>th</sup> St. Garage/Bass Museum.  
R7G Adopt FY 2005/06 Cultural Arts Council Budget.  
R7H Approve Cultural Arts Council's Funding Recommendations for FY 2005/06.  
R7I Adopt/Approve, Miami Beach VCA Budgets for FY 2005/06.  
R7J Appropriate PTP Funds, New Bi-Directional Transit Circulator Route Service.  
R7K Authorize Free Admission for City's Pools during Non-Programmed Hours to Residents of CMB.  
R7L Establish Current Maximum Schedule of User Rates For Miami Beach Golf Club.  
R7M **Joint**, Approve the Purchase and Sale Agreement for the Miami City Ballet.

R9A Disc. Establish Fund to Improve Education from Any Unclaimed Funds. (Steinberg)

**REDEVELOPMENT AGENCY ITEMS**

- 3A Adopt/Appropriate, Operating Budgets for City Center Redevelopment Areas for FY 05/06.
- 3B Adopt FY 05/06 Budget, City Center Capital Renewal & Replacement Fund.
- 3C **Joint**, Appropriate FY 05/06 RDA Capital Budget & Capital Improvement Plan for FY 2006-2010.
- 3D **Joint**, Approve the Purchase and Sale Agreement for the Miami City Ballet.

Meeting called to order at 5:16:25 p.m.

Pledge of Allegiance led by Patricia Walker, Chief Financial Officer.

**CONSENT AGENDA**

**ACTION:** Motion made by Commissioner Garcia to approve the Consent Agenda; seconded by Commissioner Smith; Voice vote: 5-0; Absent: Vice-Mayor Bower and Commissioner Cruz.

**Addendum Item: (R9A)**

**ACTION:** Motion made by Vice-Mayor Bower to add item R9A as an emergency item to the Commission Agenda; seconded by Commissioner Steinberg; Voice vote: 7-0.

**Supplemental Materials:**

R7H (Exhibit A), R7J (Resolution), R7L (Resolution), R7M (Memorandum and Resolution), RDA 3D (Memorandum and Resolution).

**C7 - Resolutions**

- C7A A Resolution Calling For A General Election To Be Held On November 1, 2005 In The City Of Miami Beach For The Purpose Of Electing One City Commissioner In Group Number I; Providing For Conduct Of Same By The Miami-Dade County Elections Division; Providing That Voting Precincts Shall Be Those As Established By Miami-Dade County; Providing For Notice Of Elections; Providing For The Form Of Ballot And Registration Of Voters In Accordance With State Law; Providing For Payment For Conducting Election To Miami-Dade County.  
(City Attorney's Office)

**ACTION: Resolution No. 2005-25998** adopted. Robert Parcher to handle.

- C7B A Resolution Authorizing The Administration To Videotape And Air On Cable Channel 77 The Group I Commission Candidate Presentations For The November 1, 2005 General Election. Mayor Dermer, Commissioner Gross - Group II, And Commissioner Steinberg - Group III, Were Unopposed.  
(City Clerk's Office)

**ACTION: Resolution No. 2005-25999** adopted. Robert Parcher to handle.

- C7C A Resolution Adopting And Appropriating Funds For The Police Special Revenue Account Budget For Fiscal Year 2005/06, In The Amount Of \$36,600, Such Account Funded By Unclaimed Evidence Currently Held In The Police Special Revenue Account.  
(Police Department)

**ACTION: Resolution No. 2005-26000** adopted. Patricia Walker to appropriate the funds. Chief De Lucca to handle.

- C7D A Resolution Adopting And Appropriating Funds For The Police Confiscation Trust Fund Budget For The Fiscal Year 2005/06 In The Amount Of \$232,700 To Be Funded From The Proceeds Of State (\$101,700) And Federal-Justice (\$131,000) Confiscated Funds.  
(Police Department)

**ACTION: Resolution No. 2005-26001** adopted. Patricia Walker to appropriate the funds. Chief De Lucca to handle.

- C7E A Resolution Adopting And Appropriating Funds For The Police Training Trust Fund Budget For Fiscal Year 2005/06 In The Amount Of \$31,000.  
(Police Department)

**ACTION: Resolution No. 2005-26002** adopted. Patricia Walker to appropriate the funds. Chief De Lucca to handle.

### **End of Consent Agenda**

### **REGULAR AGENDA**

#### **R5 - Ordinances**

**8:33:34 p.m.**

- R5A An Ordinance Amending Appendix A, Entitled "Fee Schedule," To Section 110-166 Entitled "Schedule Of Water Rates And Tapping Charges" By Amending Subsections (a) And (b) Thereof; And Amending Appendix A To Section 110-168 Entitled "Sanitary Sewer Charge," Of Division 2 Entitled "Rates, Fees, And Charges" Of Article IV Entitled "Fees, Charges, Rates And Billing Procedure" Of Chapter 110 Entitled "Utilities" In Order To Increase Minimum Monthly Service Charge Imposed By The City; Adjusting The Schedule Of Rates For Minimum Monthly Water Service Charge; And Increasing The Sanitary Sewer Service Charge Imposed By The City; Providing For Codification, Repealer, Severability, And An Effective Date. **Emergency Ordinance / Public Hearing First Reading**

(Public Works)

**(Memorandum & Resolution to be submitted in Supplemental)**

**ACTION: Ordinance not approved.** Motion made by Commissioner Steinberg to reject the ordinance; seconded by Vice-Mayor Bower; Voice vote: 7-0.

Fred Beckmann, Public Works Director, introduced the item. He stated that City staff has met with Water and Sewer staff to better understand why the increase is necessary. The total dollar increase is in the magnitude of \$60 million.

Commissioner Smith, referencing an article in The Miami Herald, stated that the reason the fees need to be raised is because the County is transferring funds from the WASD Special Enterprise Fund to the General Fund.

Kathie Brooks, Budget and Performance Improvement Director, explained that regarding the \$23 million equity transfer to the County, the County's position is that it does not impact the rates because it is coming from general operating reserve. It is unclear why the County could not use that money to fund, for example, some of the renewal and replacement needs, which is one of the reasons given for the big increase.

Jorge Gonzalez, City Manager, explained how the equity transfer works. He stated that when the Authority was created, the County deeded its assets to the Authority. The equity transfers are the Enterprises payments for those assets. He added that Miami-Dade County is looking to essentially increase the rates which will result in about a \$60 million dollar to the Enterprise Fund. These new funds are supposed to fund the renewal and replacement improvements to the capital assets. In the County's financial statements last year, the County reported that there are \$1.5 billion dollars of bond funds in assets waiting to be spent. Staff has asked how and where the money is allocated and where they intend to spending it. Why not spend those dollars first before raising the rates. In addition, during the last County G. O. Bond issue they included \$22 million dollars of improvements to the infrastructure countywide. It appears the money earmarked for countywide projects is now being used for neighborhood improvements. What this means is that residents of Miami Beach will be paying debt service on the bonds and pay increased rates for improvement to the entire county. He stated that the County should be spending the money they already have; then spend the G. O. Bond where they were intended and cut the transfer to the General Fund, and then maybe a rate increase is not necessary, but certainly not a 40% increase. He stated that there are two issues: this increase represents \$5 million a year to the City, or \$450,000 a month. If the City does not pass this increase on, and Miami-Dade County passes the increase, the City will have to absorb the \$450,000 a month increase. Tomorrow, Thursday, September 22, 2005, the Miami-Dade County Commission will be hearing the second reading on increasing the rates. He asked that the entire City Commission or some members of the Commission to attend the County Commission meeting to oppose the rate increase.

Murray Dubbin, City Attorney, stated that if the ordinance is passed on first reading it should be done so with the increase and with the understanding that the rate can be lowered at the second reading.

Mayor Dermer stated that by voting no on the City's rate increase ordinance, the City is sending a message that Miami Beach is opposed to the increase.

Motion made by Commissioner Steinberg to reject the ordinance; seconded by Vice-Mayor Bower. Voice vote: 7-0.

Jorge Gonzalez, City Manager, stated that the potential fiscal impact to the City is \$1.35 million dollars. He added that if he attends the County Commission meeting representing the City it won't mean much; however, if the Commission attends and objects to the increase it means a lot. He stated that he has reached out to every affected city manager and they have shared with their Commission.

Mike Burke spoke.

**R7 - Resolutions**

**5:18:53 p.m.**

R7A1 A Resolution Adopting: 1) The Final Ad Valorem Millage Of 7.481 Mills For General Operating Purposes, Which Is Twenty And Eight Tenths Percent (20.8%) Greater Than The "Rolled-Back" Rate Of 6.191 Mills; And 2) The Debt Service Millage Rate Of 0.592 Mills For Fiscal Year 2005/06.

**5:01 p.m. Second Reading, Public Hearing.**

(Budget & Performance Improvement)

(First Reading on September 8, 2005)

**ACTION: Title of the resolution read into the record.** Public hearing held. **Resolution No. 2005-26003 adopted.** Motion made by Commissioner Steinberg; seconded by Vice-Mayor Bower; Voice vote: 6-1; Opposed: Commissioner Garcia. Kathie Brooks and Jose Cruz to handle.

Commissioner Garcia stated that he will be voting against the millage rate because he believes the millage should be lowered two tenths of a percent.

Handout or Reference Materials:

1. Notice of Ad in The Miami Herald

**5:20:16 p.m.**

R7A2 A Resolution Adopting Final Operating Budgets For The General Fund, G.O. Debt Service, RDA Fund - Ad Valorem Taxes, Enterprise, And Internal Service Funds For Fiscal Year 2005/06. **5:01**

**p.m. Second Reading, Public Hearing.**

(Budget & Performance Improvement)

(First Reading on September 8, 2005)

**ACTION: Title of the resolution read into the record.** Public hearing held. **Resolution No. 2005-26004 adopted.** Motion made by Commissioner Steinberg; seconded by Vice-Mayor Bower; Voice vote: 7-0. Kathie Brooks and Jose Cruz to handle.

Commissioner Garcia asked about the additional funding for the Teen Job Corp.

Jorge Gonzalez, City Manager, stated that the Teen Job Corp has been given \$86,000 in funding from either the sanitation funds or Resort Tax. In past years they received funding from the Community Development Block Grant and/or from the North Beach Quality of Life allocation. The \$86,000 coupled with the monies they were able to secure from Miami-Dade County left them short of their proposed budget by about \$40,000. Staff has been working with them to try to identify whether there is additional funds or adjustments in the level of service.

Commissioner Garcia stated that his understanding is that the Teen Job Corps was talking about a matching grant of \$50,000 from the County.

Jorge Gonzalez, City Manager, stated that the \$50,000 grant from Miami-Dade County is not a required match.

Commissioner Garcia stated that he wants to be sure that Teen Job Corps do not lose the \$50,000 because the City is not matching.

Robert Middaugh, Assistant City Manager, stated that the \$50,000 will not be lost. If the Commission chose to add to the amount, they would be able to do more.

Commissioner Garcia stated that the last time Ms. Deborah Ruggiero was here she stated that the Teen Job Corp was in danger of losing their matching \$50,000.

Jorge Gonzalez, City Manager, reiterated that the \$50,000 will not be lost.

Handout or Reference Materials:

1. Notice of Ad in The Miami Herald

**5:24:49 p.m.**

Mayor Dermer stated that Commissioner Cruz was walking in on item R7A1 and asked that he be recorded as a "yes" vote.

**5:25:02 p.m.**

R7B1 A Resolution Of The Board Of Directors Of The Normandy Shores Local Government Neighborhood Improvement District Adopting The Final Ad Valorem Millage Rate Of 0.814 Mills For Fiscal Year 2005/06 For The Normandy Shores Local Government Neighborhood Improvement District, Which Is Nine And Five Tenths Percent (9.5%) Less Than The "Rolled-Back" Rate Of 0.899 Mills. **5:02 p.m.**

**Second Reading, Public Hearing.**

(Budget & Performance Improvement)

(First Reading on September 8, 2005)

**ACTION: Title of the resolution read into the record.** Public hearing held. **Resolution No. 2005-26005 adopted.** Motion made by Commissioner Smith; seconded by Vice-Mayor Bower; Voice vote: 7-0. Kathie Brooks and Jose Cruz to handle.

Handout or Reference Materials:

1. Notice of Ad in The Miami Herald

**5:25:49 p.m.**

R7B2 A Resolution Of The Board Of Directors Of The Normandy Shores Local Government Neighborhood Improvement District Adopting The Final Operating Budget For Fiscal Year 2005/06. **5:02 p.m.**

**Second Reading, Public Hearing.**

(Budget & Performance Improvement)

(First Reading on September 8, 2005)

**ACTION: Title of the resolution read into the record.** Public hearing held. **Resolution No. 2005-26006 adopted.** Motion made by Commissioner Smith; seconded by Vice-Mayor Bower; Voice vote: 7-0. Kathie Brooks and Jose Cruz to handle.

Handout or Reference Materials:

1. Notice of Ad in The Miami Herald

**5:26:22 p.m.**

- R7C A Resolution Establishing A City Of Miami Beach Homeowners Dividend Fund; Establishing A Procedure For Annual Appropriation Of Funds; Establishing A Procedure For Their Use; And Adopting the Fiscal Year (FY) 2005/06 Budget For The Fund, In The Amount Of \$3,269,120.  
(Budget & Performance Improvement)

**ACTION: Resolution No. 2005-26007 adopted.** Motion made by Commissioner Steinberg; seconded by Vice-Mayor Bower; Voice vote: 6-1; Opposed: Commissioner Garcia. Kathie Brooks and Jose Cruz to handle.

Jorge Gonzalez, City Manager, stated that these dollars are not Ad-Valorem dollars being used to fund this program. The dollars are not property tax but from other resources which come into the City.

Commissioner Garcia stated that these are General Fund dollars which could have been used to reduce the millage. This is why he is voting against the resolution.

**5:28:34 p.m.**

- R7D A Resolution Adopting The Annual Fiscal Year (FY) 2005/06 Appropriations For The Capital Renewal And Replacement Fund Budget In The Amount Of \$2,529,563.  
(Budget & Performance Improvement)

**ACTION: Resolution No. 2005-26008 adopted.** Motion made by Commissioner Steinberg; seconded by Vice-Mayor Bower; Voice vote: 7-0. Kathie Brooks and Jose Cruz to handle.

- R7E A Resolution Appropriating The City Of Miami Beach And Miami Beach Redevelopment Agency Capital Budget For Fiscal Year 2005-2006 And Adopting The Capital Improvement Plan For Fiscal Years 2006-2010. **Joint City Commission and Redevelopment Agency.**  
(Finance Department)

**ACTION: Item heard in conjunction with RDA Item 3C. Resolution No. 2005-26009 adopted.** Motion made by Commissioner Smith; seconded by Vice-Mayor Bower; Voice vote: 7-0. Patricia Walker to appropriate the funds.

**5:29:49 p.m.**

- R7F A Resolution Adopting Fiscal Year 2005/06 Budgets For Special Revenue Funds For Resort Tax; 7th Street Garage Operations; South Pointe Capital Renewal And Replacement; And The State Major Cultural Institution Grant For The Bass Museum.  
(Budget & Performance Improvement)

**ACTION: Resolution No. 2005-26010 adopted.** Motion made by Vice-Mayor Bower; seconded by Commissioner Smith; Voice vote: 7-0. Kathie Brooks and Jose Cruz to handle.

**5:30:07 p.m.**

- R7G A Resolution Adopting The Miami Beach Cultural Arts Council's Fiscal Year 2005/2006 Budget In The Amount Of \$1,263,157.  
(Tourism & Cultural Development)

**ACTION: Resolution No. 2005-26011 adopted.** Motion made by Vice-Mayor Bower; seconded by

Commissioner Smith; Voice vote: 7-0. Hilda Fernandez and Max Sklar to handle.

**5:30:37 p.m.**

**Supplemental Materials: Exhibit A:**

R7H A Resolution Accepting The City Manager's Recommendation, And Approving The Cultural Arts Council's Funding Recommendations, And Awarding \$613,810 In Said Grants, For Fiscal Year 2005/2006, As Identified In The Attached Exhibit "A"; And Further Authorizing The Mayor And City Clerk To Execute Said Grant Agreements, And Make The Award Of Said Grant Monies Subject To And Contingent Upon The Approval Of The Cultural Arts Council's Budget For The Fiscal Year 2005/2006.

(Tourism & Cultural Development)

**ACTION: Resolution No. 2005-26012 adopted.** Motion made by Vice-Mayor Bower; seconded by Commissioner Cruz; Voice vote: 7-0. Hilda Fernandez and Max Sklar to handle.

**5:31:47 p.m.**

R7I A Resolution Adopting And Approving The Miami Beach Visitor And Convention Authority (VCA) Fiscal Year 2005/2006 Budget, In The Amount Of \$1,473,888.

(Tourism & Cultural Development)

**ACTION: Resolution No. 2005-26013 adopted.** Motion made by Vice-Mayor Bower; seconded by Commissioner Steinberg; Voice vote: 7-0. Grisette Roque Marcos to handle.

**5:32:00 p.m.**

**Supplemental Materials: Resolution:**

R7J A Resolution Authorizing The Appropriation Of \$534,564 From The Fiscal Year 2004-05 People's Transportation Plan (PTP) Funds, And \$443,800 In Concurrency Mitigation/ South Beach Funds, And \$239,536 In The Fiscal Year 2005-06 Parking Enterprise Budget, To Cover The \$1,217,900 Miami Beach Share Of The FY 2005-06 Operating Budget Of The South Beach Local, As Previously Authorized By Resolution No. 2005-25934, Dated June 8, 2005, Which Executed An Interlocal Agreement With Miami-Dade County For The Provision Of A New Bi-Directional Transit Circulator Route Service In South Beach, Which Begins Operation On September 25, 2005, Under Miami-Dade Transit Jurisdiction; And Further Appropriating An Additional \$64,034 In Concurrency Mitigation/South Beach Funds To Cover The October 2005 Close-Out Costs Of The Electrowave Shuttle Program.

(Public Works)

**ACTION: Resolution No. 2005-26014 adopted.** Motion made by Vice-Mayor Bower; seconded by Commissioner Cruz; Voice vote: 6-1; Opposed: Commissioner Garcia. Patricia Walker to appropriate the funds. Fred Beckmann to handle.

Commissioner Smith read into the record a typographical error on page 105. Under the section: "The major elements of the SoBe Local are:" - Delete extra wording in bullet six (6).

Commissioner Garcia stated that he is voting against this item because he is opposed to going into business with Miami-Dade County; to replace something that could have been a very successful program is a mistake.



**5:33:31 p.m.**

R7K A Resolution Authorizing Free Admission For Residents Of The City Of Miami Beach To The City's Pools And Free General Admission To The City's Youth Centers During Non-Programmed Hours For Fiscal Year 2005 - 2006.

(Parks & Recreation)

**ACTION: Resolution No. 2005-26015 adopted.** Motion made by Vice-Mayor Bower; seconded by Commissioner Steinberg; Voice vote: 7-0. Kevin Smith to handle.

Commissioner Smith stated that Vice-Mayor Bower should be commended for pushing this item.

Jorge Gonzalez, City Manager, stated that this Commission has wanted to do this for sometime and he is happy that this could be done.

Vice-Mayor Bower thanked the Commission and stated that the Administration, and in particular Jorge, listen to her and came up with creative ways to make it happen.

**5:35:10 p.m.**

**Supplemental Materials: Resolution:**

R7L A Resolution Amending Resolution No. 2004-25594 Which Established The Current Maximum Schedule Of User Rates For The Miami Beach Golf Club; Said Amendment Modifying Only The Non-Resident Rates As Delineated In Attachment "A"; Further Recognizing That The City Commission Has Certain Defined Responsibilities With Regard To Oversight Of The City Of Miami Beach Golf Courses And Approving And Authorizing The Issuance Of An Annual Resident Single Membership To The City's Golf Courses For Sitting Members Of The City Commission.

(Parks & Recreation)

**ACTION: Resolution No. 2005-26016 adopted.** Motion made by Commissioner Smith; seconded by Commissioner Cruz; Voice vote: 7-0. Kevin Smith to handle.

**5:43:21 p.m.**

**Supplemental Materials: Memorandum and Resolution:**

R7M A Resolution Approving The Attached Term Sheet Setting Forth The Terms And Conditions For The City's Proposed Purchase Of The Leasehold Improvements Currently Owned By The Miami City Ballet, Inc., 2200 Liberty Avenue, Miami Beach, FL; Further Authorizing The City Manager Or His Designee To Negotiate A Purchase And Sale Agreement With The Miami City Ballet, Inc., Subject To Final Approval Of The Mayor And City Commission Of The City Of Miami Beach, Florida And Further Authorizing The City Manager Or His Designee To Commence Preliminary Negotiations On A Long Term Lease Of The Facility To The Miami City Ballet, Inc.

(Finance Department)

**(Memorandum & Resolution to be Submitted in Supplemental)**

**ACTION: This item heard in conjunction with RDA item 3D. Resolution No. 2005-26017 adopted as amended.** See the motions below:

Motion 1: Motion by Commissioner Steinberg to move the Administration's recommendation; seconded by Vice-Mayor Bower. Discussion continued and the motion clarified.

Vice-Mayor Bower asked if the studio theater could be added. Commissioner Steinberg agreed.

Vice-Mayor Bower asked about including the maintenance on major systems. Commissioner Steinberg stated that he does not believe it is in the City's best financial interest. He stated that it does include the \$740,000 initial maintenance with payment coming from the City Center RDA. Discussion continued and no vote was taken.

- Motion 2: Commission Steinberg renewed his motion to approve the Administration recommendation without the studio theater and without the capital maintenance beyond the \$740,000 initial maintenance, and with Commissioner Gross' public benefit issues; seconded by Commissioner Smith; Voice vote: 7-0.
- Motion 3: Motion made by Vice-Mayor Bower that the City approve the \$500,000 to build the studio theater and start this season; seconded by Commissioner Garcia; Ballot vote: 3-4; Opposed: Mayor Dermer, and Commissioners Gross, Smith, and Steinberg. The motion fails.
- Motion 4: Motion made by Vice-Mayor Bower that the City approve the \$250,000 matching grant for the studio theater. See motion to defer.
- Motion 5: Motion made by Commissioner Steinberg to defer the studio theatre issue; seconded by Commissioner Smith; Voice vote: 4-3; Opposed: Vice-Mayor Bower and Commissioners Cruz and Garcia. The motion to defer on the studio theater passes.
- Motion 6: Motion made by Vice-Mayor Bower that because this will be a City owned building, to adopt the maintenance for the big systems (roof, a/c ) and create a line item for the City Center RDA to fund; seconded by Commissioner Cruz; Ballot vote: 3-4; Opposed; Mayor Dermer, and Commissioners Gross, Smith, and Steinberg.
- Motion 7: Motion made by Commissioner Gross to add a clause on the lease that for the first three years they are not obligated to set aside the \$90,000 reserve for maintenance costs; seconded by Commissioner Smith; Voice vote: 7-0.
- Motion 8: Motion made by Commissioner Steinberg to direct the City Manager to follow the recommendation of the Finance and Citywide Projects Committee. Discussion continued. Mayor Dermer stated that without objection, this is okay.

Jorge Gonzalez, City Manager, introduced the item. He stated that this item was discussed last week at the Finance and Citywide Projects Committee. The time urgency has to do with certain financial considerations with respect to their on-going operations. The deal is not fully finalized as a purchase and sale agreement. The Term Sheet is included in the Commission package which is consistent with direction received at the Finance and Citywide Projects Committee. About a year ago or so, the Administration was approached by Commissioner Cruz and members of the Miami City Ballet to try to see if there was a way to assist in the Ballets on-going financial sustainability and viability as an organization. At that time the City was being asked to subordinate and allow for a loan using the building as collateral. The City is the ground owner. The direction from the Finance and Citywide Projects Committee at that time was to subordinate the loan and assist in any way possible. Over time it became apparent that the Ballet was not going to be able to secure the loan and the strategy was changed to perhaps granting a loan which evolved into purchasing the building and a lease back. Instead of a loan the City will be receiving an asset. The item before the City Commission today is a Term Sheet. At the Finance and Citywide Projects Committee the Administration suggested to purchase the building for \$4.5 million and to invest in a proscenium or studio theater; turning their rehearsal space into a functional performance venue. There was also discussion regarding the on-going maintenance, and capital improvements required. A preliminary building assessment indicates that a \$700,000 capital expense will be needed over the next couple of years.

The general consensus of the Finance and Citywide Projects Committee was to purchase the building and fund the major capital expenses. There did not appear to be consensus to fund the improvements to create a full functional performance theater. There were also requirements to create certain financial covenants and oversight that will ensure that the sustainability is long term and the financial policies are in place to prevent the financial position from deteriorating in the future. It was stated that the current lenders had extended their loans and the Administration requested confirmation in writing and that the Ballet Board pass a resolution agreeing to the Term Sheet. A critical element of the deal is, if the Commission approves the purchase of the Ballet building that authorization also is given to allow the initial down payment to be used by the Ballet to continue to fund their current operations. The Administration has the letters from the banks. The two remaining issues are the on-going capital maintenance requirement. The other issue is whether the City wishes to invest in the studio theater.

Commissioner Smith stated that assuming the City goes forward with the item, what assurance does the City have that the Miami City Ballet is going to be financially able to thrive and survive.

Patricia Walker, Chief Financial Officer, explained the Term Sheet. She explained the Working Capital Reserve of \$2 million dollars.

Commissioner Gross asked what will happen if they are not able to replenish the \$2 million dollar capital reserve.

The Commission discussed the Working Capital Reserve.

Commission Cruz requested the Administration work with the Ballet to ascertain when will be the best time of the year for the Working Capital Reserve to be replenished. He stated that ultimately it is the Ballet's responsibility, not the City's, to maintain their finances. The City will have Ballet Board representation. He also stated that the City should be responsible for all major capital maintenance replacements because it will be a City building.

Jorge Gonzalez, City Manager, stated that the Ballet will pay the soft costs, such as electricity, landscaping, water, etc., and the City will pay the replacement of systems such as the roof, air handlers, etc. He explained that the discussion at the Finance Committee Meeting was whether the City can set aside funds to replace those systems, or if the Ballet should do that.

Commissioner Garcia stated that he is concerned about the City having to maintain this building. However, if this is a City building, it should be maintained just like any other City building. He also spoke in favor of building the studio theater.

Commissioner Steinberg spoke against the City funding the building capital maintenance on major systems.

Commissioner Cruz stated that this Administration can't be blamed for the past problems with maintaining City owned facilities. This Administration has, with the encouragement of the City Commission and the Finance and Citywide Projects Committee, created a reserve for such repairs. It was financially savvy on the part of the Administration and commended the Administration. He stated that typically when you own a building, the cost to maintain the capital maintenance on major systems is the property owner's responsibility.

Commissioner Gross stated that he believes everyone on the Commission wants the Ballet to succeed. He thought that the Ballet would be performing at the Byron Carlyle and the Colony theaters. He stated that these two theaters are more than sufficient. He asked that someone from the Ballet explain what this means to the residents of Miami Beach; what kind of performance will be

given on the Beach, with or without the proscenium; why aren't the Byron Carlyle and the Colony theaters sufficient; regarding the new Performing Arts Complex, how much time will be available to perform on the Beach; and what is the Ballet doing for the school children.

Commissioner Smith stated that he would like to be convinced that others will assist the Ballet and make sure that financially it is a successful institution.

Mike Eidson, President of the Miami City Ballet Board of Trustees, stated that the Ballet budget is \$10.3 million. Fifty-five percent of that is earned income, about \$4 to \$4.5 million each year from donations. This started out in 1986 as a company with a one million dollar budget and 19 dancers. Several of the dancers are Yanis Pikieris and David Palmer, who will be in charge of forming the new contemporary series starting January 27, 2006 at the Ballet building. Since the Ballet would be performing at the Performing Arts Center wouldn't it be great if the Ballet continued to have an important artistic presence on the Beach. This was part of Jorge Gonzalez's idea. The prosceniums performance space will be about twice the size of the Byron Carlyle and the Colony theaters. He stated that there are now 120 people working full time on Miami Beach including the dancers. The Ballet is the fourth largest ballet company in the country. He asked that the four recommendations made by the City Manager as stated in the September 21, 2005 Commission Memorandum and Resolution be approved.

Edward Villella, Founding Artistic Director and CEO, spoke.

Linda Villella spoke.

Laura Grubb spoke.

Belen Kuker spoke.

Diana Seay spoke.

Ron Esserman spoke.

Eveline Fiddymment spoke.

Dr. Annie Buckman spoke.

Rosalyn Richter spoke

Francine Letham spoke.

Elice McKinley spoke.

Patricia Delgado spoke.

Janette Delgado spoke.

Malea Grubb submitted petitions and spoke.

Yanis Pikieris spoke.

David Palmer spoke.

Edward Villella read a letter from former Miami Beach Mayor Seymour Gelber to Mayor David Dermer.

Gabrielle Redfern spoke.

Mayor Dermer stated that he is curious why there seemed to be some consternation in the audience by what Gabrielle stated which was to change the Ballet's name to Miami Beach City Ballet, change their bylaws to require that one third of their performances be held on Miami Beach at our cultural institutions, require all children who live or go to school on Miami Beach to attend any and all performances that are held on Miami Beach for free, and residents of Miami Beach be allowed to purchase tickets for themselves at a 50% discount to all performances held on Miami Beach.

Mike Eidson, President of the Miami City Ballet Board of Trustees, stated why changing the name creates such a problem. He also stated that the Board will not approve a name change.

Edward Villella, Founding Artistic Director and CEO, gave an overview of the history of the Ballet.

Mayor Dermer stated that from a business perspective this deal is a loser. From a cultural perspective this deal is a big, big winner.

Mike Eidson, President of the Miami City Ballet Board of Trustees, stated that the Ballet is going to perform the contemporary ballet series on Miami Beach January 27 whether it is performed at the new ballet building or somewhere else. It will be done. He stated that the Ballet believes it can make a cultural destination out of the Collins Park Cultural Center. The Ballet is committed to doing the series and that is why Yanis Pikieris and David Palmer are here. They will be the heart and soul of this. He also stated that when the Performing Art Center opens and the Ballet is performing there, the literature and the signs should read "the Miami City Ballet is presented by the City of Miami Beach."

Motion by Commissioner Steinberg to move the Administration's recommendation; seconded by Vice-Mayor Bower. Discussion continued and the motion clarified.

Vice-Mayor Bower asked if the studio theater could be added. Commissioner Steinberg agreed.

Vice-Mayor Bower asked about including the maintenance on major systems. Commissioner Steinberg stated that he does not believe it is in the City's best financial interest. He stated that it does include the \$740,000 initial maintenance with payment coming from the City Center RDA.

Commissioner Gross asked about the need for the studio theater since the City has the Byron Carlyle Theater and Colony Theater.

Edward Villella, Founding Artistic Director and CEO, stated that dates have already been secured at both facilities. He stated that the interest is deep here and the commitment is deep.

Commissioner Gross stated that there are two issues: the replacement obligations and if the City should pay for \$500,000 for the studio theater. He also added to the agreement other things that will require what the Ballet has already agreed to for public benefit, such as teaching in the schools, making certain that there are tickets available for people who can't afford to pay for them and he suggested using the same list which was used for the New World Symphony as a model. He stated that the public benefit provision be worked out. Commissioner Steinberg accepted Commissioner Gross amendment.

Commissioner Smith stated that there are some other uses that the City has had over the last five years with this facility which are incorporated in the Commission Memorandum and should be part of the agreement.

Commissioner Garcia stated that the Ballet should be given a chance to succeed. He stated that the experts at the Ballet have told the City what they need to do and he has to go with their recommendation. Ultimately the City is buying a building for \$4.5 million dollars. The fair market value of the building is probably twice that much. He stated that he would like to go with the plan, refurbish whatever needs to be done, and do it.

Commissioner Steinberg suggested doing a challenge grant, the Ballet can raise 50% of the \$500,000 and the City will match the other \$250,000.

Commissioner Gross added another condition to the agreement, which is the number of performances that will be held on the Beach.

Commissioner Steinberg asked if the challenge grant of 50% is acceptable to build the studio theater.

Mayor Dermer stated that he could live with it because it shows they will put some of their money into it.

Commissioner Gross stated he would be okay with the challenge grant. He believes the City has enough facilities and doesn't believe the City needs another one. If the studio theater is going to generate the \$200,000 Mr. Villella has indicated, it is a good investment for the Ballet to invest the money. The City is investing \$5.5 million which is generous.

Mike Eidson, President of the Miami City Ballet Board of Trustees, stated that it would be much easier for the Ballet if the City commits to the \$250,000, do the best facility that can be done, and raise whatever money is needed to finish it, than it would to have a matching grant.

Commissioner Smith stated that the way out of this is to defer the studio theater decision to see what the Miami City Ballet wants to do later in terms of fund raising, getting additional grants, perhaps the County can contribute funds and see where this is a year or six months from now. Why not get unanimity on the other issues and come back to this one later?

Commissioner Gross suggested voting on it without the studio theater.

Commission Steinberg renewed his motion to approve the Administration recommendation without the studio theater, without the capital maintenance beyond the \$740,000 initial maintenance, and with Commissioner Gross' public benefit issues; seconded by Commissioner Smith; Voice vote 7-0.

Motion made by Vice-Mayor Bower that the City approve the \$500,000 to build the studio theater and start this season; seconded by Commissioner Garcia; Ballot vote: 3-4; Opposed: Mayor Dermer, and Commissioners Gross, Smith, and Steinberg.

Motion made by Vice-Mayor Bower that the City approve the \$250,000 matching grant for the studio theater.

Motion made by Commissioner Steinberg to defer the studio theatre issue; seconded by Commissioner Smith; Voice vote: 4-3; Opposed: Vice-Mayor Bower and Commissioners Cruz and Garcia. The motion to defer on the studio theater passes.

Motion made by Vice-Mayor Bower that because this will be a City owned building, to adopt the maintenance for the big systems (roof, a/c ) and create a line item for the City Center RDA to fund; seconded by Commissioner Cruz. Discussion continued.

Jorge Gonzalez, City Manager, stated that the recommendation Administration has is to have the engineers do a full useful life cost allocation of all of the major equipments and come back with a recommendation and then allocate the funds on an on-going basis annually.

Mayor Dubbin, City Attorney, stated that the issue which is unclear is the term of lease. What period of time is perpetuity? He would like to know the length of the lease.

Commissioner Gross stated that perpetuity is for the life of the lease.

Jorge Gonzalez, City Manager, explained that they have a long term lease. A brand new lease would be created something in like a series of either 10 or 15 year renewals to ensure the Ballet is abiding by their financial viabilities. This will be debated and negotiated.

Ballot vote: 3-4; Opposed; Mayor Dermer, and Commissioners Gross, Smith, and Steinberg. Motion failed.

Commissioner Gross stated that the issue is whether the City wants the Ballet to have a line item in their budget of \$90,000.

Motion made by Commissioner Gross to add a clause on the lease that for the first three years they are not obligated to set aside the \$90,000 reserve for maintenance costs; seconded by Commissioner Smith; Voice vote: 7-0.

Jorge Gonzalez, City Manager, stated that the concept, which was discussed at the Finance and Citywide Projects Committee, is that the City would provide some type of down payment that would allow them to meet their immediate financial needs.

Motion made by Commissioner Steinberg to direct the City Manager to follow the recommendation of the Finance and Citywide Projects Committee. Discussion continued.

Jorge Gonzalez, City Manager, stated that it was meant to be earnest money, but that the earnest money would be allowed to utilize by the selling agent so they can meet their obligations, but it would be earnest money as part of their due diligence. It is the initial 10% down, which allows them to keep operating but doesn't bind us to the deal; the City will still go through the normal due diligence process of any purchase or sale. This is to keep them operational. Mayor Dermer stated that without objection, this is okay.

Mayor Dermer added that everyone in the room should be very happy because they received a lot tonight.

Edward Villella, Founding Artistic Director and CEO, stated that he is taking off the table the series.

Handout or Reference Materials:

1. Petition regarding Miami City Ballet's Plan with 301 signatures in support.
2. Roll Call #1 (3-4)
3. Roll Call #2 (3-4)

**8:52:24 p.m.**

**Addendum:**

R9A Discussion Regarding A Resolution Directing The City Manager To Establish A Fund To Improve Education In The City Of Miami Beach And Funding It Through Any Unclaimed Or Undesignated Funds From The City Of Miami Beach Homeowner's Dividend Fund; Funding And Declaring The Expenditures Of Such Funds For Public Education To Be A Public Purpose; Directing The Committee On Quality Education To Make Recommendations As To The Allocation Of Said Funds; Setting An Effective Date.

(Requested by Commissioner Richard L. Steinberg)

**ACTION:** Discussion held. **Referred to the Finance and Citywide Projects Committee. Patricia Walker to place on the agenda.**

Commissioner Steinberg stated that there may be eligible homesteaded property owners who opt not to take the \$200 rebate. He stated that he reviewed the citizen survey and particularly the question which stated "Would you support the COMB reallocating City tax dollars to increase public funding to improve the quality of public schools?" 73% of the residents indicated "YES". He would like to create an education fund from of any unclaimed funds. He also stated that the Quality of Education Committee should make recommendations to the City Commission on how to spend the funds.

Commissioner Smith stated that the Committee on Quality Education in Miami Beach supports this idea.

Motion made by Commissioner Steinberg to adopt the resolution; second by Commissioner Smith; discussion continued.

Commissioner Gross asked why the \$200 refund checks are not being sent automatically rather than make the homesteaded property owners apply.

Jorge Gonzalez, City Manager, stated that after the eligible person submits their paperwork, staff will verify that the information is correct and that the person has paid their current property tax.

Mayor Dermer stated that he would like to do what Commissioner Gross is recommending, if possible.

Jorge Gonzalez, City Manager, stated that the taxes due in the fall must have been paid. He also stated that the \$200 check would be paid in April. In addition, the Commission wanted to give the people choices.

Commissioner Garcia stated that this is not a pressing issue which needs to be decided tonight and stated that what he would like to see is the City match the funds.

Commissioner Gross recommended sending the issue to committee to decide how the unclaimed money can be spent.

Mayor Dermer asked if there are any objections to sending the checks to the homesteaded property owners who have paid their taxes. This was approved without objection.

The issue was referred to the Finance and Citywide Projects Committee.

### **Committee for Oversight of the City Attorney's Office**

Handout or Reference Material:

1. Memo from Murray H. Dubbin, City Attorney, dated September 19, 2005 re: Meeting Minutes of Committee for Oversight of the City Attorney's Office.
2. Memorandum from Murray H. Dubbin, City Attorney, dated September 7, 2005 to Commissioner Jose Smith, Chairman, Commissioner Richard L. Steinberg, Vice-Mayor Matti Herrera Bower and Members of the Committee for Oversight of the City Attorney's Office re: City Attorney's Office Proposed Salary Adjustment 2005/2006.

### **End of Regular Agenda**



**Miami Beach Redevelopment Agency  
Commission Chambers, 3rd Floor, City Hall  
1700 Convention Center Drive  
September 21, 2005**

Chairman of the Board David Dermer  
Member of the Board Matti Herrera Bower  
Member of the Board Simon Cruz  
Member of the Board Luis R. Garcia, Jr.  
Member of the Board Saul Gross  
Member of the Board Jose Smith  
Member of the Board Richard L. Steinberg

Executive Director Jorge M. Gonzalez  
Assistant Director Tim Hemstreet  
General Counsel Murray H. Dubbin  
Secretary Robert E. Parcher

**AGENDA**

1. ROLL CALL
2. OLD BUSINESS
3. NEW BUSINESS

**5:36:02 p.m.**

- A A Resolution Of The Chairman And Members Of The Miami Beach Redevelopment Agency Adopting And Appropriating The Operating Budgets For The City Center Redevelopment Areas For Fiscal Years 2005/06.

**ACTION: Resolution No. 515-2005 adopted.** Motion made by Vice-Mayor Bower; seconded by Commissioner Cruz; Voice vote: 7-0. Patricia Walker to appropriate the funds. Tim Hemstreet to handle.

**5:36:22 p.m.**

- B A Resolution Of The Chairman And Members Of The Miami Beach Redevelopment Agency Adopting The Fiscal Year (FY) 2005/06 Budget For City Center Capital Renewal And Replacement Fund, In The Amount Of \$341,984.

**ACTION: Resolution No. 516-2005 adopted.** Motion made by Commissioner Bower; seconded by Commissioner Cruz. Approved without objections. Tim Hemstreet to handle.

Jeryl (Deede) Weithorn, Chairperson, Budget Advisory Board, stated that since she has served on the Committee, this was the easiest budget she has ever had to deal with. She acknowledged the Administration, the Mayor and Commission for having the foresight to make the tough decisions. The Budget Advisory Committee (BAC) was most pleased with the structural changes to the budget this year. She stated that not only should the

Commission be proud of themselves, but also the fine Administration that BAC works with.

Jorge Gonzalez, City Manager, stated that he appreciates all the comments Deede made and all of the work she does to support in working through the City's with financial issues. A budget of this nature takes a lot of time and energy and effort. The process starts with the City Commission who develop the budget to meet the needs of the residents. He recognized Kathie Brooks, Jose Cruz, Carmen Carlson, Bill Gonzalez, Joe Reilly, Sailyn Arce, and Paula Calderon. He also thanked Commissioner Garcia because it was at his urging that the Budget and Performance Improvement Office was created. He thanked the Assistant City Managers, Department Directors, Chief Financial Officer, and Ramiro Inguanzo for their assistance.

Mayor Dermer on behalf of the Commission stated that the Administration did yeoman's task in incorporating a lot of different ideas into a budget. It was done very, very well. From the initial meetings, the citizen's survey, the retreats, the budget process allows the Commissioner to advocate for the issues they believe are important.

Jorge Gonzalez, City Manager, also recognized Manny Marquez, Finance Manager, for his work on the Capital Projects Budget.

Commissioner Garcia thanked the City Manager for his kind words, and he stated that the initial budget should be given to the Budget Advisory Committee with enough time for them to be able to review before the first presentation in July.

Vice-Mayor Bower thanked the BAC for their hard work.

**5:29:39 p.m.**

C A Resolution Of The Chairman And Members Of The Miami Beach Redevelopment Agency Appropriating The Miami Beach Redevelopment Agency Capital Budget For Fiscal Year 2005-2006 And Adopting The Capital Improvement Plan For Fiscal Years 2006-2010.  
**Joint City Commission and Redevelopment Agency.**

**ACTION: Item heard in conjunction with item R7E. Resolution No. 517-2005 adopted.** Motion made by Vice-Mayor Bower; seconded by Commissioner Smith; Voice vote: 7-0. Patricia Walker to appropriate the funds.

5:43:21 p.m.

**Supplemental Materials: Memorandum and Resolution:**

- D A Resolution Of The Chairman And Members Of The Board Of The Miami Beach Redevelopment Agency, Approving The Attached Term Sheet Setting Forth The Terms And Conditions For The City's Proposed Purchase Of The Leasehold Improvements Currently Owned By The Miami City Ballet, Inc., 2200 Liberty Avenue, Miami Beach, FL; Further Authorizing The Executive Director Or His Designee To Negotiate A Purchase And Sale Agreement With The Miami City Ballet, Inc., Subject To Final Approval Of The Chairman And Members Of The Board Of The Miami Beach Redevelopment Agency; Authorizing And Appropriating An Advance In The Amount Of \$550,000 From The Miami Beach Redevelopment Agency - City Center Historic Convention Village Non - Ad Valorem Funds To Cover The Miami City Ballet, Inc.'s Operating Expenses Through October 19, 2005, Said Amount To Be Applied Toward The City's Purchase Price For The Facility Upon Execution Of A Purchase And Sale Agreement With The Miami City Ballet, Inc., And Further Authorizing The Executive Director Or His Designee To Commence Preliminary Negotiations On A Long Term Lease Of The Facility To The Miami City Ballet, Inc.

**Joint City Commission and Redevelopment Agency.**

**(Memorandum & Resolution to be Submitted in Supplemental)**

**ACTION: Item heard in conjunction with item R7M. Resolution No. 518-2005 adopted. See the action on item R7M. Tim Hemstreet to handle.**

Handout or Reference Material:

1. Board of Trustees Resolution, signed by Lewis "Mike" Eidson, Esq., President, Board of Trustees signed September 19, 2005.
2. Email from Donna Lenchuk dated September 21, 2005 re: Speaker's List.

Meeting adjourned at 9:00:21 p.m.

**End of RDA Agenda**